

STEPTOE & JOHNSON LLP

Charles Michael (NY Bar No. 4198412) (forthcoming *pro hac vice*)

cmichael@steptoe.com

1114 Avenue of the Americas

New York, NY 10036

(212) 506 3900 main

Galen Kast (DC Bar No. 1034774) (forthcoming *pro hac vice*)

gkast@steptoe.com

1330 Connecticut Avenue, NW

Washington, DC 20036

(202) 429 3000 main

Amanda Schwartz (CA Bar No. 307522)

rcrowther@steptoe.com

aschwartz@steptoe.com

One Market Plaza, Steuart Tower, Suite 1070

Attorneys for Plaintiff Cerebellum Networks, Inc.

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

CEREBELLUM NETWORKS, INC.,

Plaintiff,

vs.

KENZI WANG, and DOES 1-10,

Defendants.

Civil Action No.: 3:23-cv-2444

**PLAINTIFF CEREBELLUM
NETWORKS, INC. COMPLAINT FOR
DAMAGES AND INJUNCTIVE, AND
DECLARATORY RELIEF**

- (1) Civil Theft
- (2) Conversion of Cere Funds
- (3) Unjust Enrichment
- (4) Intentional Interference with Contractual Relations for Diversion of Cere Funds
- (5) Intentional Interference with Prospective Economic Relations for Diversion of Cere Funds
- (6) Unfair Competition for Diversion of Cere Funds
- (7) Breach of Contract for Conversion of Cere's Social Media Accounts
- (8) Breach of Fiduciary Duty as an Advisor to Cere
- (9) Conversion of Cere's Social Media Accounts

- (10) Intentional Interference with Contractual Relations for Conversion of Cere’s Social Media Accounts
- (11) Intentional Interference with Prospective Economic Relations for Conversion of Cere’s Social Media Accounts
- (12) Unfair Competition for Conversion of Cere’s Social Media Accounts
- (13) Misappropriation of Trade Secrets
- (14) Injunctive Relief

DEMAND FOR JURY TRIAL

I. COMPLAINT

1. Plaintiff Cerebellum Networks, Inc., (“Plaintiff,” “Cere,” or the “Company”), through undersigned counsel, hereby file this Complaint for their claim against Defendants Kenzi Wang and Does 1–10, and allege as follows:

II. NATURE OF ACTION

2. Cere, a crypto token business, recently terminated Kenzi Wang as an advisor and independent contractor when it discovered that Mr. Wang stole approximately \$1,357,400 in Company funds and deleted Company files to cover his tracks. Making matters worse, Mr. Wang has hijacked Cere’s social media accounts, despite his termination, and despite repeated demands that he relinquish them. This action seeks to recover the stolen funds and accounts and to otherwise hold Mr. Wang accountable for his egregious wrongdoing.

3. Cere is a company that developed a decentralized, blockchain-based data cloud protocol for content producers, game developers, consumer brands and others to accelerate their applications into “Web3,” the next generation of internet service built on blockchain technology.

4. Customers and other third parties interested in Cere can purchase Cere tokens, a blockchain-based token native to the Cere network that can be used, among other things, to facilitate smart contracts on the blockchain or participate in certain rewards programs.

1 5. Like other blockchain-based tokens, Cere tokens are stored in electronic “wallets”
2 on the blockchain.

3 6. Mr. Wang was an advisor retained by Cere on an independent contractor basis to
4 assist with fundraising, marketing, token listings and other business development projects
5 for the benefit of the Cere.

6 7. One component of Mr. Wang’s work for Cere was to market Cere tokens to
7 potential buyers.

8 8. Cere recently discovered that Mr. Wang commonly directed Cere token
9 purchasers to pay for their Cere tokens via fund transfers to wallets that Mr. Wang
10 personally owned and controlled. Despite repeated requests to return the funds, Mr.
11 Wang has refused. Mr. Wang has made investigating the extent of his wrongdoing all the
12 more difficult because he revoked the Company’s access to a “tracking” spreadsheet of
13 token purchases, clearly for the purposes of covering up his behavior.

14 9. If theft of Company funds were not enough, Mr. Wang has hijacked Cere’s online
15 social media accounts, including accounts on Twitter and Telegram, and blocked rightful
16 access to those accounts by Cere and its employees. Despite numerous requests to
17 relinquish control of the accounts and return rightful access to Cere, Mr. Wang has
18 refused, and continues to refuse, to turn over the access credentials, causing substantial
19 harm to Cere.

20 **III. PARTIES**

21 10. Plaintiff Cerebellum Networks, Inc. is a Delaware corporation with its principal
22 place of business in Berlin, Germany.

23 11. Mr. Wang is an individual and, on information and belief, resides in Dubai, United
24 Arab Emirates.

25 12. Except as described herein, Cere is ignorant of the true names of Defendants sued
26 as Does 1 through 10, inclusive, and therefore sues these Defendants by such fictitious
27 names. Following further investigation and discovery, Cere will seek leave of the Court
28 to amend the complaint to allege their true names and capacities when ascertained. These

1 fictitiously named Defendants are individuals and/or entities who were involved in the
2 wrongdoing detailed herein. These Doe Defendants 1-10 aided and abetted and/or
3 conspired with the named Mr. Wang in the wrong acts and course of conduct or otherwise
4 caused the damages and injuries claimed herein and are responsible in some manner for
5 the acts, occurrences, and events alleged herein.

6 13. Kenzi Wang and the Doe Defendants aided and abetted and/or conspired with the
7 other Defendants in the wrongful acts, omissions, and course of conduct alleged herein
8 or otherwise caused the damages and injuries claimed herein and are jointly and severally
9 liable for the wrongful acts, omissions, and injuries alleged herein.

10 **IV. JURISDICTION & VENUE**

11 14. This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1332(a)(1) as
12 the amount in controversy exceeds \$75,000 and the case is brought by Cere, a company
13 incorporated in Delaware with its principal place of business in Germany, against Mr.
14 Wang who is a citizen of Dubai, United Arab Emirates and other unidentified defendants
15 who are believed to be residents of a U.S. state. Thus, complete diversity exists.

16 15. Venue is appropriate in this judicial district under 28 U.S.C. § 1391(b)(2) because
17 the agreement at issue was entered into in this judicial district, and because a substantial
18 part of the events or omissions giving rise to the claim occurred in this judicial district.
19 Additionally, Cere and Mr. Wang entered into the agreement at issue (the “Term Sheet”),
20 attached hereto as **Exhibit 1**, which states in part the following:

21 The Parties agree to first negotiate in good faith to settle their
22 differences, if any. If unsuccessful, the Parties agree to submit to
23 the exclusive jurisdiction of federal and state courts located in San
24 Francisco, California, for the purpose of any suit, action or other
25 proceeding arising out of or relating to [the Term Sheet].

26 16. Consistent with the Term Sheet, Cere has made a good faith effort to negotiate
27 with Mr. Wang to settle their differences, including, without limitation, through letters
28 sent to Mr. Wang on April 22, 2023 and May 1, 2023, and emails and telephone

1 exchanges between April 22, 2023 and May 11, 2023. Despite these good faith efforts
2 by Cere, Cere and Mr. Wang have not been able to settle their differences.

3 17. This Court further has personal jurisdiction over Defendants because a substantial
4 part of the events giving rise to the allegations contained in this Complaint occurred in
5 California, and because the acts alleged in this Complaint were directed at California.

6 **V. FACTUAL BACKGROUND**

7 18. Cere was created on or around January 2, 2019.

8 19. Cere is, and at all time relevant hereto was, a company that developed a
9 decentralized data cloud protocol for content producers, game developers, Web3
10 companies and consumer brands, and other individuals and entities to accelerate their
11 applications into Web3 by leveraging the decentralized data cloud through ready-to-use
12 Cere Tools and Services.

13 20. On September 7, 2022, Mr. Wang signed an agreement (the “Term Sheet”) with
14 Cere, attached here as **Exhibit 1**. Pursuant to paragraph 4 of the Term Sheet, Mr. Wang
15 was retained by Cere as an advisor on an independent contractor basis. Paragraph 4 of
16 the Term Sheet defined Mr. Wang’s duties as the following:

17 1) Wang shall use his best efforts to assist with fundraising,
18 marketing, token listings and other business development projects
19 for the benefit of the Company.

20 2) Wang shall not have any involvement in the operations side
21 of the Company and shall limit his involvement to business
22 development projects as requested by the Company.

23 3) Wang shall advise third parties to transfer any investments
24 or other funds of any kind directly to the Company or the
25 Foundation, and shall assist the Company or the Foundation in
26 collecting any appropriate paperwork or other information that may
27 be required on such financial transactions.
28

1 4) Wang shall not compete with the Company or the
2 Foundation with similar decentralized data cloud products, or
3 disparage them or their respective officers, directors or employees.
4 Meanwhile, Jin shall not disparage Wang for any reason.

5 5) Wang shall not solicit or induce the resignation of persons
6 who work for the Company or the Foundation, or engage in any
7 other conduct that disrupts or interferes with the operation of the
8 Company, and will refrain from making any demands, threats, or
9 disparaging statements directed to the Company, the Foundation or
10 their directors, officers, employees, contractors, or other agents or
11 representatives. Meanwhile, [Cere principal] Jin will refrain from
12 making any demands, threats or disparaging statements about Wang
13 to anyone.

14 21. Paragraph seven of the Term Sheet, which governs proprietary information and
15 intellectual property, states the following:

16 The Company shall own all proprietary information and intellectual
17 property conceived by Wang in connection with his services. Wang
18 agrees that all inventions and all other business, technical, and
19 financial information (including customer information) Wang
20 develops, learns or obtains in connection with his services or that
21 are received by or for Company in confidence, constitute proprietary
22 information, which shall be held in confidence. This agreement is
23 also confidential.

24 22. Paragraph eight of the Term Sheet, which governs dispute resolution, states the
25 following:

26 The Parties agree to first negotiate in good faith to settle their
27 differences, if any. If unsuccessful, the Parties agree to submit to
28 the exclusive jurisdiction of federal and state courts located in San

1 Francisco, California, for the purpose of any suit, action, or other
2 proceeding arising out of or relating to this Agreement. The parties
3 agree that the losing Party will cover the prevailing Party's
4 reasonable fees and costs of the legal proceedings.

5 23. Paragraph eleven of the Term Sheet further states that the Term Sheet "shall be
6 interpreted, enforced and governed by and under the laws of the State of California,
7 without regard to any conflict of law principles."

8 **A. Mr. Wang's Unlawful Retention of Cere Funds**

9 24. Between 2020 and 2021, Mr. Wang assisted Cere by facilitating the sale of Cere
10 tokens.

11 25. Mr. Wang sold Cere tokens for Cere's benefit via simple agreements for future
12 tokens, or SAFTs. These SAFTs were later superseded token purchaser agreements, or
13 TPAs, which served the same purpose. SAFTs and TPAs are contractual agreements that
14 define the terms of such token sales to token purchasers.

15 26. Mr. Wang executed each SAFT and/or TPA with prospective token purchasers
16 via DocuSign. DocuSign is a software platform that allows organizations such as Cere
17 to manage and execute electronic agreements.

18 27. Rather than instructing token purchasers to transmit payment to wallets owned
19 and controlled by Cere, Mr. Wang instructed token purchasers to transmit payment to
20 wallets owned and controlled by Mr. Wang.

21 28. In an apparent effort to hide the fact that the token sale proceeds were being
22 transferred to wallets owned and controlled by Mr. Wang, Mr. Wang failed to properly
23 record such token sales in Cere's internal ledger. Mr. Wang instead tracked such sales
24 via a separate document controlled by Mr. Wang (the "Token Sale Tracker"), which
25 inhibited Cere's ability to detect Mr. Wang's malfeasance.

26 29. On September 7, 2022, Mr. Wang signed the Term Sheet with Cere, attached here
27 as **Exhibit 1**.

1 30. Paragraph 4 of the Term Sheet defined Mr. Wang’s duties as an “advisor on an
2 independent contractor basis.”

3 31. Paragraph 4 further states, “Wang shall advise third parties to transfer any
4 investments or other funds of any kind directly to the Company or the Foundation, and
5 shall assist the Company or the Foundation in collecting any appropriate paperwork or
6 other information that may be required on such financial transactions.”

7 32. On April 8, 2023, a token purchaser contacted Cere with a question related to their
8 purchase of Cere tokens. Cere promptly requested that the token purchaser provide all
9 relevant information relating to their purchase of Cere tokens.

10 33. To Cere’s shock and dismay, upon receipt of the token purchaser’s DocuSign
11 email receipt, Cere discovered that the token purchaser had not been directed to transmit
12 payment to a Cere controlled wallet or a wallet known and tracked by Cere. Instead, Mr.
13 Wang had directed the token purchaser to transmit payment to an unknown wallet
14 address, and improperly retained those funds for himself instead of transferring the funds
15 to Cere or using the funds for a purpose known and approved by Cere.

16 34. Upon further research, Cere discovered dozens of similar theretofore unknown
17 wallets that contained funds transmitted from wallets controlled by Cere token
18 purchasers, and exactly matching the proceeds from the Cere token sales facilitated by
19 Mr. Wang. On information and belief, these additional unknown wallets are controlled
20 by Mr. Wang, and contain funds Mr. Wang improperly withheld from Cere.

21 35. This research led Cere to a shocking realization: Mr. Wang had improperly kept
22 a massive amount of Cere token sale proceeds for himself, rather than promptly
23 forwarding all proceeds to Cere or using such proceeds for a purpose known and approved
24 by Cere.

25 36. Cere further discovered that Mr. Wang, at an unknown date prior to April 8, 2023,
26 had revoked Cere’s access to the Token Sale Tracker, thus significantly impeding Cere’s
27 ability to trace the funds withheld by Mr. Wang.
28

1 37. Mr. Wang has collected substantial funds from token purchasers that quite
2 obviously belong to Cere but that he has refused to return. On information and belief,
3 this includes approximately \$1,357,400 across forty-six transactions that remain in
4 wallets controlled by Mr. Wang, in addition to other as yet unidentified funds improperly
5 retained by Mr. Wang (the “Diverted Funds”). The Diverted Funds are clearly Company
6 funds, yet Mr. Wang has wrongly kept them.

7 38. Following discovery of Mr. Wang’s improper retention of the Diverted Funds,
8 Cere repeatedly demanded that Mr. Wang return all such funds. Mr. Wang has refused,
9 and continues to refuse, to do so.

10 **B. Mr. Wang’s Conversion of Cere Social Media Accounts**

11 39. Cere’s website attracts approximately 15,000 visitors each month, Cere’s Twitter
12 account has approximately 105,000 followers, and Cere’s Community Chat Telegram
13 account has approximately 23,000 members.

14 40. Cere’s sole source of revenue is generated from first and third-party integrations
15 of Cere technology, whereas Cere automatically receives a percentage from every
16 transaction processed on these platforms.

17 41. Cere uses a variety of social media platforms, including Twitter, Telegram,
18 Discord, Reddit, Facebook, and Instagram, to connect with current and prospective
19 customers and token purchasers, and to engage with the larger community of content
20 producers, game developers, and consumer brands.

21 42. Cere further uses its Twitter account to communicate with its community and
22 share important updates and news about the project. This includes sharing
23 announcements about product releases, partnerships, events, and any other developments
24 related to the Cere Network. Additionally, Cere uses its Twitter account to engage with
25 its followers, answer questions, and provide support when needed. By using Twitter in
26 this way, Cere is able to maintain an open and transparent dialogue with its community,
27 which is crucial for building trust and fostering long-term relationships. Whereas
28 consistency in posting updates on Twitter is crucial for blockchain projects, every day

1 that passes by without updates harms Cere’s reputation. Furthermore, the lack of access
2 to Twitter restricts collaborating with third parties on marketing campaigns, making Cere
3 look unprofessional and unreliable.

4 43. Cere further uses its Telegram account to engage with its community, answer
5 questions, and provide support when needed. Unlike Twitter, Telegram offers a more
6 interactive and real-time communication experience, which allows Cere to have more in-
7 depth conversations with its community members. In the Telegram Community chat,
8 Cere team members and moderators actively participate in discussions, share project
9 updates, and provide insights into the Cere Network ecosystem. Additionally, the
10 community chat serves as a platform for Cere to gather feedback and insights from its
11 community members, which helps the team better understand its users’ needs and
12 preferences. Furthermore, Cere uses its Telegram Community chat to organize events
13 and Ask-Me-Anything (“AMA”) sessions where community members can directly
14 interact with the team and learn more about the project. This level of engagement and
15 transparency has helped Cere to build a strong community of supporters who are invested
16 in the success of the project.

17 44. There are many details of Cere’s relationships with its current and prospective
18 customers and token purchasers, Twitter followers, and Telegram page members that are
19 not generally known or readily accessible to the public or to Cere’s competitors. Cere
20 derives independent economic benefit from this information, which it has developed
21 through years of substantial time, effort, expense, research, and communication with its
22 users.

23 45. Cere has taken and continues to take reasonable efforts to maintain the secrecy of
24 this propriety information, including restricting access to, and distribution of, this
25 confidential information only to agents of Cere who need this information to perform
26 services for Cere.

27 46. This confidential information includes, but is not limited to, the passwords to
28 Cere’s Twitter and Telegram accounts, and all account data for the same, including direct

1 messages and other account statistics and data (collectively, the “Confidential
2 Information”).

3 47. The Confidential Information is not generally known or readily accessible, and is
4 maintained in confidence by Cere, with limited access provided to agents of Cere on a
5 need-to-know basis. Cere has at all times taken reasonable steps to protect such
6 Confidential Information from being stolen or misused. The Confidential Information
7 would be of substantial value to Cere’s competitors if it became known to them.

8 48. As an agent of Cere, Mr. Wang was given use of Cere’s Twitter account and
9 Telegram channel (the “Accounts”). Mr. Wang accessed the Accounts using Cere’s
10 Confidential Information, and used the Accounts to disseminate information and promote
11 Cere’s services on behalf of Cere.

12 49. On or about December 22, 2022, Cere discovered that Mr. Wang had changed the
13 password to Cere’s Twitter account. This was discovered by an employee of Cere who
14 wanted to post a Tweet pursuant to Cere’s marketing timeline, but who received an
15 unexpected “wrong password” notification. Following notification by the employee who
16 discovered the issue, Cere Principal Martijn Broersma reached out to Mr. Wang
17 immediately via Telegram to reset the Twitter account’s password via Mr. Wang’s Cere
18 email address, which was tied to the Cere’s Twitter account. After two days, Martijn
19 Broersma received the new password, created by Mr. Wang, after which the password
20 was added by Martijn Broersma to password vault tool Bitwarden. Bitwarden is used by
21 Cere to manage account access rights and information. Cere was surprised and dismayed
22 by this unwarranted action by Mr. Wang.

23 50. On or about March 22, 2023, Cere discovered that Mr. Wang had changed the
24 password to Cere’s Twitter account a second time, without notification to Cere’s
25 employees or an update to Cere’s Bitwarden password manager. From this point on only
26 Cere’s head of Marketing was given limited access by Mr. Wang to the Cere’s Twitter
27 account through the tool Hootsuite. Hootsuite is a third-party tool that permits Twitter
28

1 users, including Cere, to schedule and post Tweets without logging into Twitter via the
2 Twitter API.

3 51. On March 28, 2023, Cere discovered that Cere principals Fred Jin and Martijn
4 Broersma, who until that date were administrators of the Cere's Telegram channel, were
5 no longer administrators. Only Mr. Wang can remove other channel administrators due
6 to his status of channel "owner," following the creation of the Telegram channel by Mr.
7 Wang on Cere's behalf, and for the benefit of Cere.

8 52. On April 18, 2023, Cere discovered that Mr. Wang had removed Hootsuite
9 authorization for Cere's Twitter account, effectively cutting off Cere from its main
10 communication channel completely.

11 53. On April 22, 2023, Cere emailed a letter to Mr. Wang terminating Mr. Wang from
12 all roles with Cere, and demanding, among other things, that Mr. Wang return all Cere
13 property, including access credentials for all social media accounts. Mr. Wang ignored
14 Cere's requests and did not return to Cere Cere's rightful access to its Twitter and
15 Telegram accounts or the access credentials thereto.

16 54. On April 26, 2023, Cere discovered that Mr. Wang had provided administrative
17 access to Cere's Telegram to two additional individuals, who, on information and belief,
18 are unaffiliated with Cere. Despite providing access to these two additional individuals,
19 Mr. Wang did not provide access to Cere or its principals.

20 55. The misappropriation of the Twitter account by Mr. Wang has not only disrupted
21 Cere's Twitter communication channel, but has also impacted Cere's Telegram
22 Community chat. As a result, Cere has been unable to engage with its community
23 members in the same way, which has led to a loss of trust and confidence in the project,
24 with stakeholders increasingly reaching out in other Cere-related Telegram groups and
25 direct messages to Cere employees.

26 56. On information and belief, Mr. Wang has used Cere's Confidential Information
27 to access the Accounts, without Cere's permission, causing substantial harm to Cere. At
28

1 this time because Cere does not have access to the Twitter and Telegram accounts, it does
2 not know the extent to which Mr. Wang is using the Accounts.

3 **VI. CAUSES OF ACTION**

4 **FIRST CAUSE OF ACTION**

5 **(Civil Theft)**

6 **(Against All Defendants)**

7 57. Cere repeats and realleges each allegation above and below as if set forth herein.

8 58. Based on Cere's information and belief, as early as 2020, Cere was the rightful
9 owner of and had the right to the proceeds of the sale of Cere tokens.

10 59. Mr. Wang sold Cere tokens for Cere's benefit via simple agreements for future
11 tokens, or SAFTs. These SAFTs were later superseded token purchaser agreements, or
12 TPAs, which served the same purpose.

13 60. Mr. Wang executed each SAFT and/or TPA with prospective token purchasers
14 via DocuSign.

15 61. Rather than instructing token purchasers to transmit payment to wallets owned
16 and controlled by Cere, Mr. Wang instructed token purchasers to transmit payment to
17 wallets owned and controlled by Mr. Wang.

18 62. Unbeknownst to Cere, Mr. Wang kept a portion of the token sale proceeds for
19 himself totaling approximately \$1,357,400, rather than transferring such proceeds to Cere
20 or using them in a manner known and approved by Cere.

21 63. On information and belief, Mr. Wang used these Diverted Funds for his personal
22 benefit.

23 64. Mr. Wang knowingly and designedly, by false and/or fraudulent representation or
24 pretense, defrauded Cere of approximately \$1,357,400 in proceeds from the sale of Cere
25 tokens.

26 65. Mr. Wang knowingly and intentionally assumed control over Diverted Funds and
27 feloniously stole, took, misappropriated, and drove away such proceeds.
28

1 66. Mr. Wang knowingly and intentionally deprived Cere of approximately
2 \$1,357,400 when he refused without justification to return the Diverted Funds to Cere.

3 67. Mr. Wang also deprived Cere of the benefit of possessing the Diverted Funds
4 because he misappropriated, commingled, or misapplied such distributions by:

- 5 a. Misappropriating proceeds from the sale of Cere tokens;
6 b. Withholding proceeds from the sale of Cere tokens;
7 c. Embezzling such proceeds owed to Cere.

8 68. Mr. Wang's theft of Cere's property was controlled and directed by the actions
9 and decisions of Mr. Wang and Does 1–10. Mr. Wang not only had full knowledge of
10 the wrongful withholding of Cere's property, but also was the primary participant in
11 creating Mr. Wang's false claim to that property. Mr. Wang is benefitting personally
12 from the theft of Cere's proceeds.

13 69. By preventing Cere from possessing the Diverted Funds, Mr. Wang wrongfully
14 and intentionally stole and took away Cere's proceeds, and he received and withheld from
15 Cere that stolen property, in violation of California Penal Code Sections 484 and 496.

16 70. As a direct and proximate result of Mr. Wang's theft of the Diverted Funds, which
17 were for the benefit of Cere, Cere has and will continue to suffer damages.

18 71. As a result of Mr. Wang's civil theft, Cere has suffered damages in an amount to
19 be determined at trial, including but not limited to the value of the Diverted Funds.

20 72. Cere is further entitled to treble damages under California Penal Code Section
21 496(c) as an injured party from the civil theft committed by Mr. Wang.

22 **SECOND CAUSE OF ACTION**

23 **(Conversion of Cere Funds)**

24 **(Against All Defendants)**

25 73. Cere repeats and realleges each allegation above and below as if set forth herein.

26 74. At all times relevant herein, Cere owned, possessed, and/or had a right to possess,
27 and still owns and/or has a right to possess any and all profits derived directly or indirectly
28 from Mr. Wang's sale of Cere tokens on behalf of Cere.

1 75. Mr. Wang intentionally, wrongfully, and substantially converted the Diverted
2 Funds for his own use, personal benefit, and gain by wrongfully taking possession of the
3 Diverted Funds and preventing Cere from having access to the same.

4 76. Cere did not consent to Mr. Wang's conversion of the Diverted Funds.

5 77. Cere has demanded the immediate return of the Diverted Funds, but Mr. Wang
6 failed and refused, and continues to fail and refuse, to return the property to Cere.

7 78. Mr. Wang's actions harmed Cere by wrongfully converting from Cere
8 approximately \$1,357,400 in Cere token sale proceeds that rightfully belong to Cere.

9 79. Mr. Wang's conversion of the Diverted Funds was a substantial factor in causing
10 Cere's harm.

11 80. Mr. Wang's acts were willful, wanton, malicious, oppressive, and done with
12 reckless disregard of the rights of Cere, and thereby entitle Cere to an award of exemplary
13 damages in an amount to be determined at trial.

14 **THIRD CAUSE OF ACTION**

15 **(Unjust Enrichment)**

16 **(Against All Defendants)**

17 81. Cere repeats and realleges each allegation above and below as if set forth herein.

18 82. Between 2020 and 2021, Mr. Wang assisted Cere by facilitating the sale of Cere
19 tokens.

20 83. Mr. Wang unjustly enriched himself by keeping the Diverted Funds for himself,
21 rather than transferring them to Cere or using them for a purpose known and approved by
22 Cere.

23 84. Mr. Wang knowingly received and benefitted from this diversion of funds, which
24 is the unjust retention of a benefit to the loss of Cere.

25 85. There is no justification for Mr. Wang to have received, and continue to have
26 possession of, these proceeds.

27 86. As a direct and proximate result of Mr. Wang's unjust enrichment at Cere's
28 expense, Cere has suffered and will continue to suffer damages.

FOURTH CAUSE OF ACTION

(Intentional Interference with Contractual Relations for Diversion of Cere Funds)

(Against All Defendants)

87. Cere repeats and realleges each allegation above and below as if set forth herein.

88. Cere entered into contractual agreements with its token purchasers for the sale of Cere tokens in exchange for consideration.

89. Mr. Wang knew of these contracts.

90. Mr. Wang intended to and did disrupt these contractual relationships by keeping for himself the Diverted Funds and refusing to give Cere access to the same.

91. Mr. Wang's conversion of the Diverted Funds harmed Cere by preventing and significantly impairing its ability to run its business.

92. Mr. Wang's actions have also impaired and/or precluded Cere's ability to conduct business.

93. Mr. Wang's tortious interference was a substantial factor in causing Cere harm.

FIFTH CAUSE OF ACTION

(Intentional Interference with Prospective Economic Relations for Diversion of Cere

Funds)

(Against All Defendants)

94. Cere repeats and realleges each allegation above and below as if set forth herein.

95. Cere is in an economic relationship with its token purchasers, through which token purchasers purchased Cere tokens in exchange for consideration. These relationships were likely to bring an economic benefit to Cere as Cere sold Cere tokens for consideration.

96. Mr. Wang knew of these relationships.

97. Mr. Wang intended to and did disrupt these economic relationships by keeping for himself the Diverted Funds and refusing to give Cere access to the same.

98. Mr. Wang's conversion of the Diverted Funds harmed Cere by preventing and significantly impairing its ability to run its business.

111. Paragraph 4 of the Term Sheet further circumscribed Mr. Wang's involvement with Cere, stating, "Wang shall not have any involvement in the operations side of the Company and shall limit his involvement to business development projects as requested by the Company.

112. Paragraph 7 of the Term Sheet further states:

The Company shall own all proprietary information and intellectual property conceived by Wang in connection with his services. Wang agrees that all inventions and all other business, technical, and financial information (including customer information) Wang develops, learns or obtains in connection with his services or that are received by or for [Cere] in confidence, constitute proprietary information, which shall be held in confidence. This agreement is also confidential.

113. Mr. Wang breached the Term Sheet by misappropriating Cere's Twitter and Telegram accounts in violation of Paragraph 4 of the Term Sheet, which prohibits Mr. Wang's involvement in the operations side of Cere, including the managing of its social media accounts.

114. Mr. Wang further breached the Term Sheet by converting Cere's Twitter and Telegram accounts, and by providing administrative access to Cere's Telegram account to individuals unaffiliated with Cere, without Cere's permission, all in violation of Paragraph 7 of the Term Sheet.

115. Mr. Wang further breached the Term Sheet insofar as he was supposed to "report[] directly to the CEO" and only undertake projects "as requested by the Company." Mr. Wang was instructed by the CEO and the Company to return the Twitter and Telegram accounts but refused to do so.

116. Cere has been harmed by Mr. Wang's breaches of the Term Sheet.

EIGHTH CAUSE OF ACTION

(Breach of Fiduciary Duty as an Advisor to Cere)

(Against All Defendants)

117. Cere repeats and realleges each allegation above and below as if set forth herein.

118. From September 7, 2022 to April 22, 2023, Mr. Wang was an advisor to Cere. As an advisor to Cere, Mr. Wang owed and continues to owe fiduciary duties to Cere, including, but not limited to, the duties of loyalty and care.

119. Mr. Wang also owes continuing duties, including fiduciary duties, by virtue of the trust and confidence previously reposed in him by Cere, including, without limitation, his role as an advisor to Cere.

120. Cere reasonably relied on the fiduciary relationship in permitting Mr. Wang to have access to Cere's Twitter and Telegram accounts.

121. Mr. Wang nonetheless breached his fiduciary duty owed to Cere by engaging in acts adverse to Cere's interest, including, without limitation, retaining and refusing to relinquish to Cere, to Cere's detriment and for Mr. Wang's benefit, access to Cere's Twitter and Telegram accounts.

122. As a direct result of Mr. Wang's conflict of interest, disloyalty, and dishonest acts, Mr. Wang's breaches of fiduciary duty have proximately caused damage to Cere in an amount to be proven at trial.

123. Mr. Wang engaged in the foregoing conduct with oppression, fraud or malice, and acted wantonly, willfully and with reckless disregard of the rights of Cere, thereby entitling Cere to an award of exemplary damages in an amount to be determined at trial.

NINTH CAUSE OF ACTION

(Conversion of Cere's Social Media Accounts)

(Against All Defendants)

124. Cere repeats and realleges each allegation above and below as if set forth herein.

125. At all times relevant herein, Cere owned, possessed, and/or had a right to possess, and still owns and/or has a right to possess any and all of its intangible property and profits derived directly or indirectly therefrom, including, without limitation, Cere's Twitter and Telegram accounts.

126. As described above, Cere entrusted Mr. Wang with the possession and use of these items of personal property for Cere's exclusive benefit.

127. Mr. Wang intentionally, wrongfully, and substantially converted the above personal property for his own use and for his personal benefit and gain by taking possession of Cere's personal property and preventing Cere from having access to the same.

128. Cere did not consent to Mr. Wang's conversion of its Twitter and Telegram accounts.

129. Cere has demanded the immediate return of the above-mentioned property but Mr. Wang failed and refused, and continues to fail and refuse, to return the property to Cere.

130. Mr. Wang's actions harmed Cere by significantly impairing Cere's ability to communicate with and transmit legal and other important documents to its customers, prospective customers, token purchasers, and prospective token purchasers, who together are Cere's primary source of funds.

131. Mr. Wang's conversion of Cere's Twitter and Telegram accounts was a substantial factor in causing Cere's harm.

132. Mr. Wang's acts were willful, wanton, malicious, oppressive, and done with reckless disregard of the rights of Cere, thereby entitled Cere to an award of exemplary damages in an amount to be determined at trial.

TENTH CAUSE OF ACTION

(Intentional Interference with Contractual Relations for Conversion of Cere's Social Media

Accounts)

(Against All Defendants)

133. Cere repeats and realleges each allegation above and below as if set forth herein.

134. Cere entered into contractual agreements with its customers, allowing such customers to access Cere and its functionality. Cere further entered into contractual

1 agreements with its token purchasers, allowing such token purchasers to purchase Cere
2 tokens in exchange for consideration.

3 135. Mr. Wang knew of these contracts.

4 136. Mr. Wang intended to and did disrupt these contractual relationships by seizing
5 control of Cere's Twitter and Telegram accounts, by blocking Cere from accessing all
6 such accounts, and by refusing to give Cere access to these accounts.

7 137. Mr. Wang's conversion of Cere's Twitter and Telegram accounts harmed Cere by
8 preventing and significantly impairing its ability to communicate with and transmit legal
9 and other important documents to its customers, prospective customers, token purchasers,
10 and prospective token purchasers, who together are Cere's primary source of funds.

11 138. Mr. Wang's actions have also impaired and/or precluded Cere's ability conduct
12 business.

13 139. Mr. Wang's tortious interference was a substantial factor in causing Cere harm.

14 **ELEVENTH CAUSE OF ACTION**

15 **(Intentional Interference with Prospective Economic Relations for Conversion of Cere's**

16 **Social Media Accounts)**

17 **(Against All Defendants)**

18 140. Cere repeats and realleges each allegation above and below as if set forth herein.

19 141. Cere was in an economic relationship with its customers, allowing such customers
20 to access Cere and its functionality. Cere was further in an economic relationship with
21 its token purchasers, allowing such token purchasers to purchase Cere tokens in exchange
22 for consideration. These relationships were likely to bring an economic benefit to Cere
23 as Cere monetized Cere in the future and sought outside investment based on Cere's
24 growth.

25 142. Mr. Wang knew of these relationships.

26 143. Mr. Wang intended to and did disrupt these economic relationships by seizing
27 control of Cere's Twitter and Telegram accounts, and by blocking Cere from accessing
28 all such accounts.

144. Mr. Wang's conversion of Cere's Twitter and Telegram accounts disrupted the relationships between Cere and its customers, significantly impairing Cere's ability to communicate with and transmit documents to its customers, token purchasers, prospective customers, and prospective token purchasers.

145. Mr. Wang's actions further harmed Cere by significantly impairing Cere's ability to communicate with and transmit legal and other important documents to its customers, prospective customers, token purchasers, and prospective token purchasers, who together are Cere's primary source of funds.

146. Mr. Wang's actions have also impaired and/or precluded Cere's ability conduct business.

147. Mr. Wang's tortious interference was a substantial factor in causing Cere's harm.

TWELTH CAUSE OF ACTION

(Unfair Competition for Conversion of Cere's Social Media Accounts, Cal. Bus. & Prof.

Code § 17200)

(Against All Defendants)

148. Cere repeats and realleges each allegation above and below as if set forth herein.

149. Section 17200 of California's Business & Professions Code ("UCL") prohibits any "unlawful," "fraudulent," and "unfair" business practices.

150. Mr. Wang has violated the UCL by, among other things, misappropriating Cere's Twitter and Telegram accounts, while preventing Cere's access to the same without Cere's consent.

151. By these actions, Mr. Wang has engaged in unfair competition in violation of the laws of the State of California, and as a result, Cere has suffered and will continue to suffer damage to its business, reputation, and goodwill.

152. As a direct and proximate cause of Mr. Wang's willful and intentional actions, Cere has suffered damages in an amount to be determined at trial and, unless Defendants are restrained, Cere will continue to suffer irreparable damage.

153. Cere is further entitled to interest and to its attorney's fees and costs incurred in bringing this action, all in an amount to be proven at the time of trial.

THIRTEENTH CAUSE OF ACTION

(Misappropriation of Trade Secrets, 18 U.S.C. § 1836 and Cal. Civ. Code §§ 3426 *et seq.*)

(Against All Defendants)

154. Cere repeats and realleges each allegation above and below as if set forth herein.

155. Cere's usernames and/or passwords, and any confidential business information available on the Twitter and Telegram accounts are all trade secrets (the "Trade Secrets").

156. Cere derives independent economic value, actual or potential, from the Trade Secrets not being known to the general public or to other persons, like third parties, who can obtain economic value from the disclosure or use of the Trade Secrets.

157. The Trade Secrets are subject to efforts by Cere that are reasonable to maintain their secrecy.

158. Cere is the owner of the Trade Secrets.

159. Cere was harmed, and Mr. Wang was unjustly enriched by his misappropriation of the Trade Secrets.

160. Mr. Wang's acquisition or disclosure of the Trade Secrets were a substantial factor in causing Cere harm and/or Mr. Wang's unjust enrichment.

161. Mr. Wang acquired the Trade Secrets and knew or had reason to know that the Trade Secrets were acquired by improper means.

162. Mr. Wang used the Trade Secrets without express or implied consent from Cere.

163. Mr. Wang knew or had reason to know that his knowledge of the Trade Secrets was acquired under circumstances giving rise to a duty to maintain its secrecy given his role at Cere.

FOURTEENTH CAUSE OF ACTION

(Injunctive Relief)

(Against All Defendants)

164. Cere repeats and realleges each allegation above and below as if set forth herein.

165. Cere alleges that, unless enjoined by order of the Court, Mr. Wang will not provide Cere with access and/or control of the wallets with the approximately \$1,357,400 of proceeds of Cere token sales. No adequate remedy at law exists for the injuries alleged herein, and Cere will suffer great and irreparable injury if Mr. Wang's conduct is not immediately enjoined and restrained.

166. Cere further alleges that, unless enjoined by order of the Court, Mr. Wang will disclose Cere's confidential information and intellectual property to third parties, and will continue to have unauthorized and exclusive access to the Cere's Twitter and Telegram accounts. No adequate remedy at law exists for the injuries alleged herein, and Cere will suffer great and irreparable injury if Mr. Wang's conduct is not immediately enjoined and restrained.

167. Therefore, Cere seeks injunctive and preliminary injunctive relief enjoining (i) control and/or access to the wallets in Mr. Wang's personal control with the Diverted Funds (ii) using the username and/or passwords to continue to access and lock out Cere from the Twitter and Telegram accounts; and (iii) disclosing the username and/or passwords to third parties.

168. Cere has no adequate remedy at law for the threatened injury.

VII. PRAYER FOR RELIEF

169. Cere respectfully requests that this Court enter judgment in its favor and against Defendants Kenzi Wang and Does 1–10, and award the following relief:

170. For injunctive relief enjoining, *inter alia*, continued access to and/or control of the wallets with the Diverted Funds, and the disclosure of Cere's trade secrets and the further unauthorized and exclusive access to Cere's Telegram and Twitter accounts.

171. Mr. Wang, and all others holding by, through or under Mr. Wang, be required, jointly and severally, to:

- a. Pay over to Cere all damages incurred by Cere by reason of Mr. Wang's acts in accordance with the laws of the State of California;

- 1 b. Pay to Cere the costs of this action, together with reasonable attorneys’
2 fees and disbursements;
3 c. Deliver to Cere all wallets with the Diverted Funds;
4 d. Deliver to Cere all Cere online accounts;
5 172. That the Court issue a judicial determination and declaration that:
6 a. That Cere be granted general, special and incidental damages according to
7 proof at trial;
8 b. That Cere be granted pre-judgment and post-judgment interest;
9 c. That Cere be granted an exemplary and punitive damages award against
10 Defendants in an amount according to proof at trial; and
11 d. Other relief this Court may deem just and proper.

12 **DEMAND FOR JURY TRIAL**

13 Cere demands a trial by jury on each of its causes of action that are triable before a jury.
14
15

16 Dated: May 19, 2023

STEPTOE & JOHNSON LLP

17
18
19 By: /s/ Amanda Schwartz
20 Charles Michael, Esq.
21 Galen Kast, Esq.
22 Amanda Schwartz, Esq.

23 Attorneys for Cere
24 CEREBELLUM NETWORKS, INC.
25
26
27
28